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KUWAIT FOR TODD SCHWARTZ

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SUBJECT: CANADA: MANITOBANS GO TO THE POLLS JUNE 3

This message is a product of APP Winnipeg.

1. (U) Summary. Riding high in the public opinion polls, Manitoba Premier Gary Doer (New Democratic Party -- NDP) ended weeks of speculation by calling a provincial election for June 3. Re-election of the NDP government will keep alive Canadian opposition to U.S. proposals seeking to alleviate flooding of North Dakota,s Devils Lake via drainage into the Red River. End Summary.

2. (U) Situated at the geographic center of Canada, Manitoba has strong connections to the large agricultural component and strong conservative/populist streak of its western neighbors and also possesses the established industrial and manufacturing sector and union movement found in eastern Canada. Within the context of Canada,s more "statist" federal system, Manitobans seek leadership that will play an active role in developing the province,s economic potential and sustain strong social programs such as health care.

3. (U) Politics at the provincial level have long been polarized, with the left-leaning NDP and the conservative Progressive Conservative Party (PC) overshadowing the Manitoba Liberal Party, which has not led a government since the 1950s. The current government came to power in September, 1999, in a sweeping victory that ended the 11-year dominance of the Progressive Conservative Party.

4. (U) NDP support tends to be strongest in northern Manitoba and north and central Winnipeg -- less affluent areas with a high rate of labor union membership. The PC generally does well in agricultural southern Manitoba and Winnipeg,s southern and western suburbs, which have tended to greater economic prosperity. Liberal Party support, though relatively evenly distributed throughout the province, seldom has been sufficiently "concentrated" to win large numbers of seats.

5. (U) Party divisions within the 57-seat Manitoba legislature are relatively stable, with the NDP and PC holding about 20 "safe" seats apiece, and approximately 15 competitive "swing" constituencies determining the winner in every election. In the last contest, the NDP took nearly all of the swing seats, including six with a margin of victory of less than 500 votes. At dissolution of the Legislature on May 2, the NDP held 32 seats, the PC 24, and the Liberals 1, a configuration borne out in the latest polls which show the NDP leading the PC 44% to 30%, with the Liberals trailing at 21%. With Canada,s first-past-the-post electoral system, the NDP lead likely will translate into an absolute majority in the provincial Legislature.

Incumbent Advantages

6. (U) Gary Doer and his party hold a number of advantages that make them virtually unbeatable. In contrast to their disorganized and under-funded opponents, the NDP started out "debt-free" and now boasts a healthy (by provincial standards) C\$300,000 (US\$213,000) campaign war chest. Moreover, the government is credited for Manitoba,s strong economy, the lowest provincial unemployment rate in Canada (5.2%), and a balanced budget. Nonetheless, the NDP seems not to take anything for granted and has conducted an aggressive media information campaign.

PC Quick Out of the Gate with Tax Platform

7. (U) The PC, on the other hand, is starting from behind the curve. In his first election since assuming leadership of the Progressive Conservatives in 2000, Stuart Murray launched his campaign with a pledge to eliminate education taxes from citizens, property tax bills and criticism of Gary Doer for failing to provide tax relief despite a booming economy and vastly increased tax revenues. (Manitobans pay some of the highest property and income taxes in Canada). Nonetheless, Murray lacks voter recognition and PC fundraising efforts have been significantly hindered since the NDP banned union and corporate donations several years ago. The party starts the campaign with a C\$400,000 (US\$284,000) debt, no money on hand, and opinion polls showing them 10 points lower than their disappointing finish in the 1999 election.

Liberals to Launch "Health Care Guarantee"

18. (U) Liberal leader Jon Gerrard launched his quixotic campaign from a minivan disguised as an ambulance, to emphasize the Liberals' main campaign plank -- "a health care guarantee," the funding of alternative patient treatment in other provinces or even the U.S. The platform is a challenge to the NDP,s 1999 pledge to end "hallway medicine" and reduce health care waiting lists. Gerrard faces a struggle to hold the lone Liberal seat in the Legislature - which he won by less than 500 votes in 1999. The Liberals start the campaign debt-free, and with C\$100,000 (US\$71,000) on hand.

Comment

19. (U) The NDP commands a resounding lead both in public opinion polls and campaign funding. The anticipated re-election of the NDP would not alter Manitoba's close and strong ties to neighboring U.S. states. At the same time, however, it would strengthen Canadian efforts to quash alleviation of North Dakota,s Devils Lake flooding via diversion into the Red River or other similar means. Doer has resolutely opposed U.S. proposals to allow Devils Lake water to drain into the Red River, and he likely will continue to oppose those and other proposals such as the "Northwest Area Supply Project," and inter-basin water transfers. End Comment.

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